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United States Department of State

Washington, D. C. 20520 8801373

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ACTION MEMORANDUM
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S/S

TO: The Secretary

THROUGH: P - Mr. Michael H. Armacost

FROM: S/CT - L. Paul Bremer, III

EAP - William Clark, Jr., Acting

EB - Alan Larson, Acting

L - Abraham D. Sofaer

SUBJECT: North Korea and the Terrorism List

ISSUE FOR DECISION

Whether to make a formal determination that North Korea should be placed on the so-called "terrorism list" of the Export Administration act (EAA) and to formally notify the Secretary of Commerce to make any appropriate amendments to EAA regulations.

ESSENTIAL FACTORS

Formal action would provide the necessary follow-up to your preliminary decisions taken earlier today and during the past weekend.

Under Section 6(j) of the Export Administration Act (EAA), Congress has to be notified at least 30 days in advance before any export license is used for goods or technology valued at more than \$1,000,000 for the export of goods and technology to any country concerning which the Secretary of State has made the following determinations:

(A) such country has repeatedly provided support for acts of international terrorism;

(B) such exports would make a significant contribution to the designated country's military potential or its ability to support acts of international terrorism.

Countries currently cited under Section 6(j) are Iran, Syria, Libya, South Yemen and Cuba. The Commerce Department's annual report on foreign policy controls which extends the existing regulations against these five countries for another year will be sent to Congress tomorrow.

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UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: MURRAY D ZINOMAN
DATE/CASE ID: 24 JUL 2008 200705934

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S/CT, EAP and INR have reviewed the available evidence of North Korean involvement in the crash of KAL 858 and believe it is compelling. In addition, the People's Democratic Republic of Korea was involved in the October 1983 bombing attack of South Korean officials in Rangoon, Burma, in which 18 South Koreans were killed. North Korea also has been involved in providing training, funds and weapons to various foreign extremist groups. These are ample grounds for a determination that North Korea has repeatedly supported acts of international terrorism.

It should be understood that as a practical matter, making the designation will not have a significant economic impact. U.S. trade with North Korea -- except for very limited items such as donations of medicine and food parcels valued at less than \$200 -- already is embargoed under the Trading with the Enemy Act and the EAA. The existence of such trade restrictions was one factor in the decision not to place North Korea on the list after the Rangoon bombing.

Bearing in mind that placing North Korea on the list will have more of a symbolic than practical economic effect, we recommend that North Korea should be formally designated under the EAA as a country which has repeatedly supported acts of international terrorism.

In order to give effect to your determination, we need to formally notify the Commerce Department and request it take the appropriate steps to implement the action. This likely will entail a slight amendment to the regulations already covering export controls for North Korea. We will also place a notice in the Federal Register. A proposed letter and notice are attached for your signatures.

RECOMMENDATIONS

That you make a formal determination that North Korea be cited under Section 6 (j) of the EAA as a country which has repeatedly supported acts of international terrorism.

Approve X *11/20/88 msl* Disapprove _____

That you sign the attached letter to the Secretary of Commerce and the attached Federal Register notice.

Attachments:

1. Letter to Secretary of Commerce
2. Notification for the Federal Register

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Drafted:

S/CT: Mkraft@oc 0983I Ext 7633

Cleared:

S/CT: AAdams

E: RHeckinger

EAP: JGosnell

EB: PWisgerhoff

L/3BC: EVer ville/MKen chilian

L/LEI: TPeres (info)

H: RDowney

SS: